

Michigan Economic Development Corporation

Senate Economic Development Committee

Honorable Senator Mike Kowall, Chair

February 16, 2011

Presented by:

Michael A. Finney, President & Chief Executive Officer

James McBryde, Vice President, Governmental Affairs



"Job One is Jobs."

Governor Rick Snyder
2011 State of the State
January 19, 2011



What is the MEDC?

- Created in April 1999 by an Inter-local Agreement
- Designed under business model as independent entity
- Partnership between the Michigan Strategic Fund (MSF) for the State and local/regional economic development agencies with Dual Mission:
 - Work to expand business opportunities & investments in Michigan
 - Focus on innovative ways to strengthen Michigan's business environment
- 67 local economic development partners, 87 corporate partners, 73 Convention & Visitors' Bureaus, and 20 member Executive Committee, Michigan Works! agencies



What We Do

Provide leadership to Reinvent Michigan by:

- Creating More and Better Jobs
- Creating An Environment That Will Keep Our Youth -
Our Future - In Michigan
- Restoring Cities and Controlling Urban Sprawl
- Enhancing Michigan's National & International Image
- Bringing "Winning" Back To Michigan



What We Do – Jobs

- Support robust entrepreneurial ecosystem for job growth
- Develop/retain young talent and get people back to work
- Strengthen sound infrastructure of training and business development services
- Work on access to capital to fuel the ecosystem
- Bridge gap in technology transfer from laboratory to the marketplace
- Package and market Michigan's brand of entrepreneurial culture

What We Do – Jobs

Michigan business development managers assist businesses, with local partners, to identify opportunities for expansion, growth, or other cost savings for job retention and growth.

- Collaborate in job creation and job retention projects
- Over 3,100 company visits last year
- 90% of visits to companies with less than 250 employees
- Work with key Michigan companies to assist in growth opportunities within state
- Align companies with the resources that aid in growth
- Develop an in-depth relationship to assist business growth

What We Do – Jobs; Enhance Michigan's Image

Pure Michigan Tourism and Business Marketing Campaign

- Drives 2nd largest industry growth and retention
- Targets C-level executives for expansion of business in Michigan
- Promotes high quality of life in Michigan
- Enhances Michigan's national and international image



What We Do – Jobs; Enhance Michigan's Image

- Michigan Promotion Program *Pure Michigan*
 - Visitors spend \$15.1 billion annually traveling in Michigan
 - Generates \$850 million in state taxes
 - Supports 142,500 jobs for Michigan residents
- Michigan Council for the Arts and Cultural Affairs
 - Community development through support of art and cultural affairs infrastructure, events, and activities
 - 59,652 artists in Michigan
 - Average grants were \$5,896 (state and federal dollars)
 - New Leaders Arts Council of Michigan Retention and Community Engagement Program to engage young people in the arts and culture of Michigan
 - Community development through support of arts' infrastructure, activities, and events



What We Do – Enhance Michigan's Image

Michigan Promotion Program

Return on Investment (ROI):

- FY04 to FY08
 - Four year average - \$2.86 accrued to state treasury in incremental tax revenues for every \$1 allocated to Michigan tourism advertising.*
- FY09
 - Regional - \$5.34 accrued to state treasury in incremental tax revenues for every \$1 allocated to Michigan tourism advertising.*
[Region includes Chicago, Milwaukee, Indianapolis, Cleveland, Cincinnati, Dayton, Columbus, St. Louis, and Southern Ontario]
 - National - \$2.23 accrued to state treasury in incremental tax revenues for every \$1 allocated to Michigan tourism advertising.*

• Source: Longwoods International



What We Do – Restoring Cities

- Community Assistance Team (CAT) managers assist communities and companies with opportunities for expansion, growth, or other needs.
- Efforts will be enhanced by coordination of efforts with the Michigan State Housing Development Authority (MSHDA)
- Primary tools for communities:
 - Brownfield Redevelopment Incentives
 - Renaissance Zones
 - Community Development Block Grant (CDBG)*

*Generally communities under 50,000 population



How We Do It

- Research and data driven with multi-year strategic plan
- Areas of Focus in 2011
 - Create More and Better Jobs
 - Create An Environment That Will Keep Our Youth – Our Future – In Michigan
 - Restore Cities and Control Urban Sprawl
 - Enhance Michigan's National and International Image
 - Bring "Winning" Back to Michigan
- Use Economic Development Tools authorized by Legislature
- Work through collaboration and partnerships
 - Local Partners, Universities, other State Departments
 - Strategic Partners

How We Do It - MEDC Services Provided by Strategic Partners

- Michigan Small Business & Technology Development Center (MI-SBTDC)
- Procurement Technical Assistance Centers (PTAC)
- Michigan Manufacturing Technology Center (MMTC)

How We Do It - Tools We Use

- Pure Michigan Marketing Campaign
- 21st Century Jobs Fund
- Capital Access Program (CAP)
- Centers of Energy Excellence (COEE)
- Private Activity Bonds (formerly IDRB)
- Community Development Block Grants (CDBG)
- Small Business Investment Tax Credit
- Michigan Defense Center
- Property Tax Abatements (local level)
- Site Location Services
- SmartZones

Bring Winning Back to Michigan

- Team Michigan
 - Governor Rick Snyder
 - Michigan Senate
 - Michigan House of Representatives
 - MEDC/Michigan Strategic Fund
 - MEDC Strategic Partners
 - Local Economic Development Partners
 - Corporate Partners
 - Tourism Partners
 - State of Michigan departments and agencies
 - Michigan local governments

Q & A



APPENDIX



Appendix A - Services Provided by Strategic Partners

Small Business and Technology Development Center

- Network supported by the MEDC
- 12 centers and over 30 satellite offices serving all 83 counties
- **From 2007 to 2009, assisted start-up of 1,179 new businesses with 9,793 jobs created by these companies ***
- Centers provide the following services to **small businesses** with less than 500 employees – core of which is companies with under 50:
 - provide no-cost business management consulting and low-cost training to Michigan's small business community
 - certified counselors assist businesses in handling cash flow problems, developing sound accounting practices
 - producing marketing materials
 - packaging loan proposals
 - addressing personnel issues
 - referring clients to experts who partner with the MI-SBTDC network.
 - links resources of federal and local governments with community colleges, universities, and the private sector to produce practical solutions to business problems

Appendix A - Services Provided by Strategic Partners

Michigan Manufacturing Technology Center (MMTC)

- Provide the administration and leading **training for manufacturing companies seeing to diversify** through the MEDC's Supplier Diversification Program.
 - 133 companies received training and assistance in 2009.
 - *FY 2010 goal is to achieve \$56 million in new contracts and retain 100,000 jobs.*
- 6 centers throughout the state serve businesses
- Offers direct technical assistance to **small and medium-sized manufacturers** to connect them to the best manufacturing practices and technologies available.
- State and federal funding in combination with links to national industry groups, major manufacturers, automation equipment vendors, universities and research.
- Assistance including lean manufacturing and continuous improvement, quality systems, ISO 14001, costing systems, management and market diversification.

Appendix A - Services Provided by Strategic Partners

Procurement Technical Assistance Centers

- Network supported by the MEDC through the DCCC
- 11 centers with several satellite offices serving all 83 counties
- PTACs assist **small and medium sized businesses** obtaining government contracts (any items found in homes or offices needed, in addition to products and technologies to protect and support our armed forces)
- **Companies reported government contracts valued at \$645.8 million were awarded in FY 2009 ***
- Centers assist companies throughout the entire procurement process from pre-award to post-award:
 - registering to become a government contractor
 - identifying bid opportunities
 - simplifying the bidding process
 - expediting payments through electronic invoicing
 - assisting with post-award evaluation of your submitted contract and/or award

* Source: Procurement Technical Assistance Centers



Appendix B – Jobs for Michigan Investment Program: 21st Century Jobs Fund

Overview:

- A long-term initiative to transform Michigan's economy
- "Economic gardening" to grow entrepreneurial ventures
- Varied programs assist in all stages of capital lifecycle
- Building Michigan's entrepreneurial infrastructure
- Leverages private sector expertise, experience, and capital
- Maximizes double-bottom line returns
- Long-term investment with promising early returns



Appendix B – Jobs for Michigan Investment Program: 21st Century Jobs Fund

Results to date:

- Estimated 25,000 jobs created/retained
- Over 1,400 companies assisted
- \$1.5 billion in leverage; \$3.30 for every \$1 invested*
- 900 patent applications submitted and/or approved
- Over 450 new products and technologies licensed

* Initial cost is less than \$12,000 per job and will continue to diminish, eventually recovering the cost.



Appendix B – Jobs for Michigan Investment Program: 21st Century Jobs Fund

Outcomes:

- Investment programs are operating in the black even though it is still very early in the program's development.
- Program projections show significant and greater returns to the state going forward.
- Newer programs have been developed that improve on older programs by focusing on more near-term job creation and on the state's current economic challenges.



Appendix C – Marketing Michigan Promotion Program

Social media

184,911 on Facebook; 662% increase from the beginning of 2010
9,784 followers on Twitter; 204% increase from the beginning of 2010
159 Pure Michigan Connect blog posts
5,002 uploaded Pure Michigan photos to Pure Michigan Photostream on Flickr
357,759 views of Pure Michigan commercials on YouTube and michigan.org; 105% over 2009

Website

Most popular state tourism website 2007-2010
Information to over 12,000 Michigan tourism attractions, events, hotels, events
On-line merchandise store launched in October 2010
13,354,331 web visits in 2010
2010 traffic up 18.9% over 2009

Partnerships

73 Convention and Visitors' Bureaus around state
57 communities and organizations provide \$1.5 million in private-sector partner advertising funds
31 different partner advertising campaigns in 2010

First national tourism advertising campaign launched in 2009

*\$10 million cable television buy on 15 networks
Pure Michigan commercials aired 7,900 times from March to June 2009
60 million Americans viewed commercials from coast to coast*



Appendix C – Marketing Michigan Promotion Program

| State | Budget Rank | Tourism Budget* (FY09 estimated) | Population |
|-------------------------|-------------|-------------------------------------|-------------------|
| Hawaii | 1 | \$ 71,000,000 | 1,288,198 |
| Illinois | 3 | 50,994,500 | 12,901,563 |
| Pennsylvania | 7 | 29,780,300 | 12,448,279 |
| Missouri | 11 | 19,963,329 | 5,911,605 |
| Tennessee | 12 | 19,897,700 | 6,214,888 |
| Michigan | 14 | 17,612,446 | 10,003,422 |
| Wisconsin | 20 | 15,147,900 | 5,627,967 |
| Minnesota | 29 | 10,774,347 | 5,220,393 |
| West Virginia | 34 | 7,917,089 | 1,814,468 |
| Ohio | 35 | 7,568,166 | 11,485,910 |
| National Average | | \$ 16,312,104 | |

Source: Travel Industry Association of America 2008-2009 survey of U. S. State and Territory Tourism Office
Budgets and US Census Bureau population estimate, 7/1/2008

*Includes staff, administration and advertising



Appendix D – Arts and Cultural Program

FY 2010 APPLICATION AND GRANT DATA

- In FY 2010, \$2.1 million was distributed as arts and cultural grants in five competitive programs
 - Operational & Project Support
 - Bus Grants
 - New Leaders Program
 - Regional Regranting Minigrant Program
 - Services to the Field
- 539 applications received, 358 funded
 - The 358 grants were matched with \$160,851,187 in applicant funding
- Counting partnerships, 627 grants were made across the state for arts and cultural activities in FY 2010
- Grants awarded in directly to 57 counties. When partnerships are counted, grants were made in 78 counties
- 13,620 jobs represented by MCACA grant recipients
- 59,652 Michigan artists employed FY 2010 funded arts and cultural projects and programs
- FY 2010 Client attendance/benefitting figures:
 - 9,920,001 individuals, 2,939,564 youth



Appendix D – Corporate Partners

American Electric Power Company - aep.com/
 Ann Arbor Spark - annarborusa.org/
 Baraga County Economic Development Corporation - baragacounty.org/
 Barry County Economic Development Alliance - www.barrychamber.com
 Battle Creek Area Chamber of Commerce - battlecreek.org/
 Battle Creek Unlimited - bcunlimited.org
 Bay Future - bayfuture.com
 Big Rapids Area Industrial Development Corporation - ci.big-rapids.mi.us/
 Branch County Economic Growth Alliance - bcega.com/
 Cadillac Area Chamber of Commerce - cadillac.org/
 Capital Area Michigan Works - camw.org/
 Central Upper Peninsula Planning and Development Commission - cuppd.org/
 Charter Township of Emmett - emmett.org/
 Charter Township of Flint - flinttownship.com/
 Clinton County Economic Development Alliance - clintoncountyeconomicalliance.org/
 Coloma-Waterford Area Economic Development Corporation - coloma-waterford.org/
 Consumers Energy - consumersenergy.com/
 Crawford County Economic Development Partnership - crawfordco.org/
 DTE Energy - dteenergy.com/
 Delta County Economic Development Alliance - deltami.org/organizations/eda.html
 Detroit Renaissance - detroitrenaissance.com/
 Dickinson Area Partnership - dickinsonchamber.com/
 East Central Michigan Planning and Development Regional Commission - ecmpdr.org
 Eastern Upper Peninsula Planning and Development Commission - eup-planning.org/
 Economic Development Council of Livingston County - livingstonedc.com/
 Economic Development Corporation of Roscommon County - 877muvonup.com/index.asp
 Economic Development Alliance of St. Clair County - edascc.com/
 Eight Mile Boulevard Association - eightmile.org/
 Genesee Regional Chamber of Commerce - thegrcc.org/
 Grand Haven Chamber of Commerce - grandhavenchamber.org/
 Great Lakes Bay Michigan Works! - michiganworks.org/agencies/agency/181/
 Hillsdale County Industrial Development Commission - hillsdaleedp.org/
 HP Devco, Incorporated - hpdevco.org/
 Keweenaw Industrial Council - kedabiz.com/
 Kyonggi Province Development Council, Korea Trade Center - kotra.or.kr
 Lakeshore Advantage Corporation - lakeshoreadvantage.com/
 Lansing Economic Area Partnership (LEAP) - leapincorporated.com/
 Lansing Regional Chamber of Commerce - lansingchamber.org/
 Livonia Chamber of Commerce - livonia.org/
 Macomb County Chamber of Commerce - macombcountychamber.com/
 Marshall Area Chamber of Commerce - marshallmi.org/



Appendix D – Corporate Partners

Macomb County Chamber of Commerce - macombcountychamber.com/
 Marshall Area Chamber of Commerce - marshallmi.org/
 City of Menominee - cityofmenominee.org/
 Michigan Community College Association - mcca.org/
 Mecosta County Development Corporation - mecostaedc.com/
 Michigan Downtown & Financing Association - michigandowntowns.com/
 Michigan Electric Cooperative Association - countrylines.com/
 Michigan Gas Utilities - michiganagasutilities.com/
 Michigan Manufacturing Technology Center - mmtc.org/
 Michigan Minority Business Development Council - mmbdc.com/
 Michigan Small Business & Technology Development Center - misbtdc.org/
 Michigan State University Extension - msue.msu.edu/portal/
 Michigan Virtual University - mivu.org/
 Middle Michigan Development Corporation - mmdc.org/
 Monitor Township Downtown Development Authority
 Monroe County Chamber of Commerce - monroemi.usachamber.com/
 Monroe County Industrial Development Corporation - monroecountyidc.com/
 Munising Area Partnership for Development, Inc. - munisinginfo.com/
 Muskegon Area First - muskegonareafirst.org/
 National Center for Manufacturing Sciences - ncms.org/
 Newaygo County Economic Development Office, Inc. - ncedo.org/
 Northeast Michigan Council of Governments - nemcoq.org/
 Northern Initiatives - niupnorth.org/
 Northern Lakes Economic Alliance - northernlakes.net/
 Otsego County Economic Alliance - gaylord-otsego.com/
 City of Port Huron - www.porthuron.org/
 Regional Economic Development Team, Inc.
 Right Place, Inc. (Grand Rapids) - rightplace.org/
 Saginaw Future Inc. - saginawfuture.com/
 Shiawassee Economic Development Partnership - sedpweb.org/
 Shiawassee Regional Chamber of Commerce - shianet.org/
 South Central Michigan Works! - scmw.org/



Appendix D – Corporate Partners

Southeast Michigan Council of Governments - semcoq.org/
 City of Southfield - cityofsouthfield.com/
 Southern Wayne County Chamber of Commerce - swcrc.com/
 Southwestern Michigan Commission - swmpc.org/
 Southwest Michigan First - southwestmichiganfirst.com/
 Target Alpena Corporation - targetalpena.com/
 Traverse City Chamber of Commerce - tcchamber.org/
 Troy Chamber of Commerce - troychamber.com/
 Troy Downtown Development Authority - troymi.gov/
 Upper Peninsula Economic Development Alliance - upeda.org/
 Valley Center Tech Park - valleycentertechpark.com/
 City of Warren - gowarrencity.com/
 West Michigan Regional Planning Commission - wmrpc.org/
 West Michigan Shoreline Regional Development Commission - wmstrdc.org/
 Western Upper Peninsula Planning and Development Regional Commission - wuppdrc.org/
 Woodward Avenue Action Association, Inc. - woodwardavenue.org/

TOTAL: 87

Approved as of January 2010



Appendix E – Interlocal Partners

Economic Development Corporation of the City of Albion - albionedc.org/
 Economic Development Corporation of the City of Alpena - alpena.mi.us/
 Arenac County Economic Development Corporation - arenacountygov.com/
 Economic Development Corporation of the City of Bay City - baycitymi.org/
 Berrien County Economic Development Corporation - berriencounty.org/
 Calumet Township Economic Development Corporation
 Economic Development Corporation of the County of Cass - casscountymi.org/
 Economic Development Corporation of the County of Cheboygan - cheboygancounty.net/
 Economic Development Corporation of Chippewa County - chippewacountymi.gov/
 Clinton Township Economic Development Corporation - clintontownship-mi.gov/
 City of Coldwater Economic Development Corporation - www.coldwater.org
 Economic Development Corporation of the City of Dearborn - cityofdearborn.org/
 Economic Development Corporation of Delta Charter Township - deltami.gov/
 Economic Development Corporation of the City of Detroit - ci.detroit.mi.us/
 Detroit Economic Growth Corporation - degc.org/
 Economic Development Corporation of the City of East Lansing - cityofeastlansing.com/
 City of Farmington Hills Economic Development Corporation - ci.farmington-hills.mi.us/
 Economic Development Corporation for the City of Gladwin - gladwin.org/
 Economic Development Corporation of the City of Grand Rapids - grand-rapids.mi.us/
 Greater Gratiot (County) Development, Inc. - www.gratiot.org/gdd/
 City of Hancock Economic Development Corporation - cityofhancock.com/
 City of Hillsdale Economic Development Corporation - ci.hillsdale.mi.us/
 Huron County Economic Development Corporation - co.huron.mi.us/
 Ionia County Economic Development Corporation - ioniacounty.org/
 Ionia County Economic Alliance - icea-mi.org/
 Iron County Economic Development Corporation - iron.org/
 Economic Development Corporation of the County of Isabella - isabellacounty.org/
 Economic Development Corporation of Jackson County - co.jackson.mi.us/
 Enterprise Group of Jackson - enterprisegroup.org/
 City of Kalamazoo Economic Development Corporation - kalamazoocty.org/
 Kalamazoo County Economic Development Corporation - kalcounty.com/
 Kentwood Economic Development Corporation - kentwood.mi.us/
 Economic Development Corporation of the City of Lansing - cityoflansingmi.com/
 Economic Development Corporation of the County of Lapeer - lapeercountyweb.org/
 Economic Development Corporation of Leelanau County - leelanaucounty.com/
 Lenawee County Economic Development Corporation - lenawee.mi.us/
 Lenawee Chamber for Economic Development - lenaweechamber.com/
 Luce County Economic Development Corporation



Appendix E – Interlocal Partners

Economic Development Corporation of Mackinac County - mackinacounty.net/
 Economic Development Corporation of Manistee County - manisteecountymi.gov/
 Economic Development Corporation of the County of Marquette - co.marquette.mi.us/
 Mason County Growth Alliance - masoncountygrowth.com/
 Economic Development Corporation of the County of Midland - co.midland.mi.us/
 Midland Tomorrow - midlandtomorrow.org/
 Economic Development Corporation - County of Montmorency - montmorencycountymichigan.us/
 Muskegon (County) Economic Development Corporation - co.muskegon.mi.us/
 Charter Township of Northville Economic Development Corporation - northvillemich.com/
 City of Novi Economic Development Corporation - cityofnovi.org/
 Economic Development Corporation of the County of Oakland - oakgov.com/peds/
 Oceana County Economic Development Corporation - oceana.mi.us/
 Ogemaw County Economic Development Corporation - ogemawcountymi.gov/
 Ontonagon County Economic Development Corporation - ontonagonmi.org/
 Oscoda County Economic Development Corporation - oscodacountymi.com/
 Economic Development Corporation of the County of Ottawa - co.ottawa.mi.us/
 Economic Development Corporation of Presque Isle County - presqueislecounty.org/
 Economic Development Corporation of the County of Saginaw - saginawcounty.com/
 Saint Joseph County Economic Development Corporation - stjosephcountymi.org/
 Economic Development Corporation of the County of Sanilac - sanilaccounty.net/
 Schoolcraft County Economic Development Corporation - schoolcraftcounty.net/
 Economic Development Corporation of the County of Shiawassee - shiawassee.net/
 Economic Development Corporation of the City of Sterling Heights - sterling-heights.net/
 Economic Development Corporation of the City of Sturgis - ci.sturgis.mi.us/
 Tuscola County Economic Development Corporation - tuscolacounty.org/
 Van Buren County Economic Development Corporation - vbco.org/
 Economic Development Corporation of the Charter County of Wayne - waynecounty.com/
 City of Wyoming Economic Development Corporation - ci.wyoming.mi.us/

TOTAL: 67
 Approved as of April 2010

